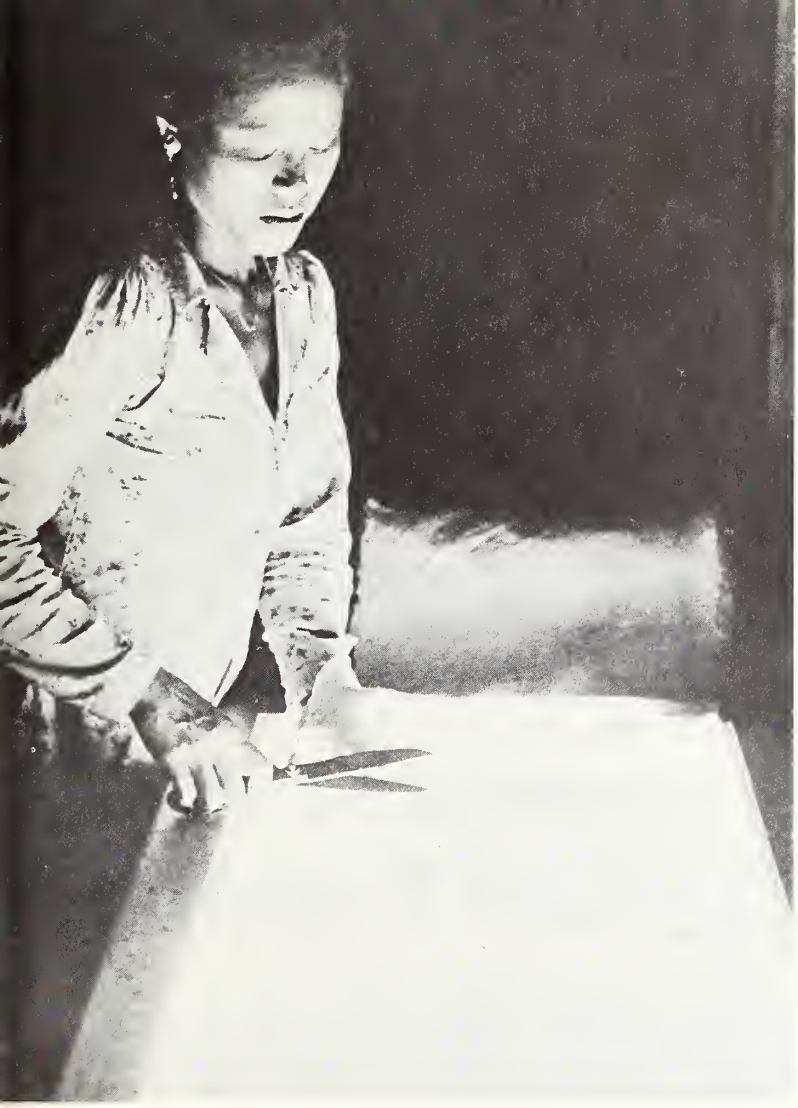

AUGUST 26, 1963

MALAYSIA—WORLD'S NEWEST NATION

RED CHINA'S CHAOTIC STATISTICAL SYSTEM

JAPAN'S POULTRY MARKET

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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Top-grade crepe rubber is cut for shoe soles by Malayan worker. Rubber is the keystone of the Federation of Malaysia's economy. See next page.

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Malayan woman waters her vegetable garden. The areas that make up the new Federation enjoy a relatively high standard of living and have a favorable trade balance with the United States.

By ROBERT M. McCONNELL
Regional Analysis Division
Economic Research Service

A New Nation To Emerge
FEDERATION OF MALAYSIA

At a time when many large colonial territories are dividing into smaller independent nations, next month a new nation comes into being through merger. The Federation of Malaysia, encompassing some 10 million people and 130,000 square miles, brings together four distinct entities. To the 11 states of the Federation of Malaya, have been added the States of Singapore, Sabah (British North Borneo), and Sarawak. The government will be federal in form, and Kuala Lumpur will be the capital.

Rubber provides the keystone for the new nation's economy. This is a continuation of the historical economic pattern. During recent years, Malaya has emerged as the world's leading producer of natural rubber, and with the addition of the Borneo territories' output, Malaysia will produce approximately two-fifths of the annual world supply.

Aid to rubber growers

In view of rubber's major role, the Federation of Malaya Government has given extensive assistance to producers, both estates and smallholders. A large portion of this assistance has been in the form of cash payments to offset part of the cost of replanting rubber land to new high-yielding trees. Presently, the extension of this program to all parts of Malaysia is being considered. As a means of further increasing the rubber area, and also providing farms to landless people, the Malayan Government has opened large tracts of jungle land.

Several factors have caused some serious doubts as to the future of rubber. Rubber prices have tended to decline in recent years. At the same time, the use of synthetic rubber has been increasing. In 1952 synthetics accounted for over 37 percent of the world's consumption of all forms of rubber. By 1962 this portion had risen to nearly 50 percent. The United States is the leading user of both natural and synthetic rubber. During the period 1952 to 1962 synthetic's share of total United States' rubber consumption rose from 64 percent to 73 percent.

With these facts in mind, the Federation of Malaya, in mid-1962, decided upon the need for a study to determine the possibilities for agricultural diversification in the country. The Ford Foundation provided a team of U.S. agricultural experts, who conducted their study during the latter part of 1962 and submitted their report in early 1963. Although the report has not been made public, a loose picture of it can be drawn from various public statements. In general, it is the team's belief that rubber production should neither be cut back nor abandoned. Instead, the country's reliance on it should be lessened through the introduction and/or development of other crops and new industries.

Singapore serves as middleman

Singapore's agricultural sector adds very little to the island-state's economy. However, agricultural products from the surrounding areas are of great im-

Left, weighing tea leaves after harvest. Above, a team of veterinarians in the field dose off buffaloes for Liver-fluke disease. Animals supply a share of Malaya's meat.

portance. A major source of Singapore's income derives from its role as middleman in the trade pattern of Southeast Asia. Singapore is considered the center of world rubber trade, collecting supplies not only from the other areas of Malaysia, but also from Indonesia. Copra and spices are also important commodities in Singapore's trade picture. Many goods destined for Malaysia and nearby areas are channeled through Singapore. Thus, this island-state will probably emerge as the financial and commercial center of the new country.

Sarawak and Sabah are quite dependent on agriculture. However, much of this agriculture is subsistent in nature. Rubber is the leading commercial crop.

During the past decade the Federation of Malaya has enjoyed a favorable trade balance; however, the annual trade surplus generally has declined in recent years. Singapore's trade balance has been unfavorable during the same period—its magnitude increasing in recent years. In both of these cases, the value of imports has increased as the need for machinery and manufactured goods expands, while the falling price of rubber, the leading export item, has held back the growth of exports. The Borneo areas have had a favorable trade balance for a number of years.

Agricultural commodities, although declining in relative importance, still account for approximately 55 percent of the value of all goods exported by the Federation of Malaysia. On the import side, the value of agricultural goods represents about 45 percent of the total.

Favorable trade balance with U.S.

The areas which now make up the Federation of Malaysia have maintained since the end of World War II a favorable trade balance with the United States. This is the result of the large U.S. purchases of rubber and tin. The overall balance during 1962 was almost 3 to 1 in favor of the Malaysian area. Agricultural trade between the United States and Malaysia has followed a similar pattern. However, the imbalance has declined significantly in recent years—from $130 million in 1959 to $68 million in 1961. In 1962 it was down to $45 million.

VALUE OF U.S. AGRICULTURAL TRADE WITH MALAYSIAN AREA, 1959-62

	1959	1960	1961	1962 [1]
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*
Imports	135	107	80	58
Exports	5	10	12	13

[1] Preliminary.

The sharp reduction in U.S. imports of agricultural goods from Malaysia stems from a drop in the quantity and unit value of rubber shipments. The average market value of most other agricultural products also declined. During this same period, U.S. agricultural exports to this area increased nearly 2½ times.

A substantial portion of this growth is the result of increased sales of tobacco—from slightly over $1 million in 1959 to $5.2 million in 1962. Tobacco now ranks as the No. 1 American farm product exported to Malaysia. Other important commodities are fresh fruits, raw cotton, and prepared foodstuffs.

Over the past couple of years an increasing volume of poultry meat has been shipped to the Malaysia area. However, this item is threatened by a recent amendment to the Federation of Malaya's veterinary law. This amendment requires all poultry meat entering Malaya to be accompanied by a type of health certificate not issued in the United States. Presently, it is not clear if this requirement will be extended to all of Malaysia.

The Federation of Malaysia represents an attractive market for U.S. agricultural goods. Although the size of the market is limited, the area's relatively high standard of living more than offsets this factor. Political and economic stability coupled with a basically liberal trade policy also affects the picture favorably.

Above, all over the Federation are markets similar to this where farmers auction off their produce. Right, Malayan rice farmer carries seedlings to transplant.

Above, modern equipment is to be found on Malaya's well-managed coconut estates. Right, worker extracts the kernel from a coconut for processing into copra.

Red China's Chaotic Statistical System

The policy of shaping agricultural data to serve propaganda purposes has been devastating to the fragile economy of this Communist country.

One basic obstacle to the study of Mainland China's agriculture is the scarcity and questionable validity of official data. For the past 3 years, an almost unheard-of situation has existed—the Mainland Government has issued no statistical communiques and has remained virtually silent as to the country's economic progress, or lack of it. Yet, according to one noted author, Communist China's economic situation would still remain a mystery, even if its government released all the official data.

The reason for this—according to the author, Dr. C. Y. Cheng of Seton Hall University—is that in Communist China, official statistics have been exaggerated to the point of meaninglessness. Analyzing this subject in a special appendix to his recent book, *Communist China's Economy—1949-1962,* Dr. Cheng emphasizes that China could not now provide accurate statistics, even if it wanted to do so, because its methods for accumulating data have completely broken down.

"Since the Bigg Leap Forward of 1958," he states, "the entire statistical system has become chaotic. Most of the official data published has no relation to reality and is little more than a numerical game for propaganda purposes."

Dr. Cheng divides the history of Communist China's statistical collapse into four stages—1949-51, 1952-54, 1955-57, and 1958-62—and analyzes each separately.

Poor statistical organization

The 1949-51 period—In 1949, when the Communist Chinese assumed power, they established no nationwide statistical network.

The State Administrative Council was served by a statistics department several rungs down the administrative ladder; later, similar departments were set up in China's six great administrative regions. But not until 1952 did most of the local governments have statistical services.

State Budgets—riddled with contradictions and fabrications—became the most important source of economic information. Statistical work was so poor during this period that in 1955, when the newly formed State Statistical Bureau published a summary for the 1949-54 period, it omitted the figures for 1950 and 1951.

The 1952-54 period—Marking a new era in Communist China's statistical system was the formal establishment of the State Statistical Bureau under Hsüeh Mu-ch'iao on October 1, 1952. Consisting of 15 departments and thousands of statistical workers at all levels, the Bureau was well enough organized by mid-1953 to undertake the regime's first national population census. Though the accuracy of the census has been disputed by many, it was still a remarkable demonstration of statistical progress, states Dr. Cheng.

Despite this accomplishment, however, the system was still inadequate. Focal point of the statistical effort was industry; agricultural statistics, in particular, were largely speculative guesses. Most of the cooperatives in the vast rural regions did not even have bookkeeping systems, much less statistical reporting techniques. Agricultural statistics were composed from rough estimates of local governments based, in turn, on guesswork or fabrication by rural unit heads.

Also contributing to the confused statistical processes was the fact that, as the State Statistical Bureau admitted: "An overwhelming majority of the statistical workers never

Rice field, Peiping, state-operated farm

received any special training in statistics." This naturally led to enormous miscalculations and fabrications which were subsequently reported in official publications.

Progress in accuracy

The 1955-57 period—A second great stride in Communist China's statistical work was made in mid-1955, when the government published its first Five Year Plan (1953-57) and released a great amount of previously unpublished data. This statistical information, markedly improved in consistency and presentation, filled in many gaps for previous years. The system seemed to be evolving into an efficient measuring stick of the country's economy.

True, it was not yet adequate. Agricultural statistics were so obscure that the Statistical Bureau reported frankly in 1957: "We are not even clear about such important agricultural questions as the size of the territorial area, and the amount of cultivated land." The reliability of China's official statistics in 1955 was summed up by Director Hsüeh Mu-ch'iao as follows: Industry, fair; trade, worse; agriculture, the worst. But progress was still evident.

The 1958-62 period—Unfortunately, the Big Leap Forward in 1958 was to obliterate all the statistical progress made in previous years and to undermine the very foundations of the national statistical system.

According to Dr. Cheng, the Big Leap was sort of a blind fanaticism in which statistics became propaganda weapons, used to whip up competition in various fields. The regime urged statistical workers to think of their job as an urgent political task. Professional statisticians, who held that the function of statistical work was to report real figures, were termed "rightist" and "conservative."

Men versus miracles

Preposterous statements began to appear daily in the Party's organs; one such article claimed that one *mou* (about 1/6 acre) of land had produced 50 tons of rice, and another stated that a newly born pig had grown to a weight of 330 pounds in 1 month. Even, such fanciful claims as these were endorsed by the Party leaders, who believed that with Marxism-Leninism as a guide, men could create miracles—and planned their programs accordingly.

A statistical communique claiming the fulfillment of the 1958 plan contained such exaggerations that it became an international joke. In August 1959, the government had to revise its 1958 figures for food grain output downward by one-third and cut 1959 targets by one-half. But even the drastically revised figures were still greatly exaggerated, Dr. Cheng states.

In October 1959, Hsüeh Mu-ch'iao became the scapegoat for the 1958 statistical scandal and gave way to a new Director of Statistics—a strong advocate of the Party line, Chia Chi-yün. In November, the new director promptly announced at a national conference of statistical bureaus:

"We must make statistical work the tame and useful tool of the Party . . . The practice of starting purely from statistical figures is in effect a tendency towards objectivism without a political viewpoint . . ."

Under Chia Chi-yün's directorship, no statistics could be published but those which reflected achievements. Any failures were to be reported in secret to Party leaders.

Falsification fails

This policy could not last long, says Dr. Cheng, in the face of the disappointing post-1959 developments in every phase of the economy. On January 21, 1961, the regime decided to adopt the more practical policy of emphasizing accuracy in statistical reports. But the damage of the past 3 years had already been done. The false reports of 1958 and 1959 had indicated a 100-million-ton grain reserve; instead, there was a severe food shortage that gained momentum and came to a peak in 1961. The regime was forced to use its meager financial resources to import almost 6 million tons of food from the "western imperialists."

In July, 1961, the State Statistical Bureau was again reorganized. Chia Chi-yün was replaced as director by Wang Szu-hua, a professional statistician and one of the deputy directors since the inception of the Bureau in 1952. This reshuffling reflects the regime's intention to reinstate statistics in their proper place and again give them a normal function. Another indication of this trend has been revealed in the Party organs which have openly acknowledged that statistical falsification exists. One article, published on July 30, 1962, called for a "serious handling of statistical figures" and admitted:

"At present, the statistical figures worked out by some commercial enterprises are not accurate enough. In some cases, the statisticians have worked out wrong figures, while in other cases, the method for working out the statistical figures is questionable . . . Some people are of the opinion that a slight discrepancy in figures does no harm and that an inaccurate figure is better than having no figures at all."

Accuracy reinstated

In September, 1962, the new director of the Bureau published an important article reflecting this change in viewpoint. "Accuracy," he said, "is the life of statistical figures . . . Inaccurate statistical figures which are either too high or too low, will adversely affect the construction work of the state in one way or another."

However, the basic dilemma faced by the Bureau is that the fervent propagandistic spirit embedded in the Party's philosophy has not been abolished with a mere reorganization. Since Party leaders still insist that the Big Leap Forward was a success, the Bureau must go on producing inflated figures to substantiate these claims. This inflation not only prevents accuracy in the present, but will make statistics in the future even more removed from reality.

The Communist Chinese leaders have only recently begun to realize that a solid statistical network based on accuracy is a necessity for a centrally planned economy, states Dr. Cheng. "Yet," he adds, "the reconstruction of a ruined system is always a rough road . . . Students of the Chinese economy must face the problem of inadequate and confusing official statistics for many years to come."

Free World's Food Imports Mounting But at Slower Pace Than Other Goods

While the free nations of the world in the years from 1959 through 1961 boosted their annual food imports by more than a half billion dollars, their buying of nonagricultural products showed an increase of over $13 billion. Furthermore, although their total agricultural imports, including forestry products, rose nearly $4 billion during this 3-year period, agriculture's share in the world's import trade dropped from 33.7 percent to 30.8 percent.

The biggest upturn in food buying occurred in Europe where imports registered an increase of $636 million. Next, though way down the scale, was the Oceania area, with a rise of $31 million, followed by Africa, with $20 million.

The Western Hemisphere fell off. North and Central America dropped $128 million from its food-import business, and South America was down $25 million.

These figures represent 68 of the Free World countries, reported on statistically by the Food and Agriculture Organization of the United Nations, in its recently published *1962 Trade Yearbook,* which contains information available as of Nov. 30, 1962.

In Europe, where 19 countries were reported on, the United Kingdom ranked first as a food importer, although its 1961 purchases at $4 billion were slightly below those of 1959. In second place was West Germany, with a food import bill of $2.6 billion continuing a steady upward trend. Italy, a considerably smaller buyer, showed a considerably larger increase, making it the fastest growing food importer in Europe.

Of the 11 countries listed for North and Central America, the United States in 1961 ranked first. Its food imports came to $3.4 billion, down a bit from 1959. Canada's were up—$668 million. But Canada's foreign food purchases represented only about 16 percent of its total imports, whereas those of the United States accounted for 36 percent. Costa Rica was the fastest growing importer.

Only six South American countries were reported on in the *Yearbook* and of these, Venezuela was the biggest food buyer, with $171 million, and Brazil was second, with $170 million. Both showed a decided decline from 1959. Largest increase was registered by Argentina.

In Asia (13 countries) Japan sat at the top, with foreign food buying in 1961 at $805 million, and also at the top as the area's most rapidly expanding food market. The Federation of Malaya and Singapore ranked next, with purchases at $807 million.

The United Arab Republic was the leading food importer in Africa—$155 million, and Ghana, a far smaller country, was second—$81 million; also, its food imports had increased one-third since 1959.

Oceania (5 countries) was headed by Australia, buying $120 million worth of foodstuffs. New Zealand was second—$57 million. Both had sizable increases over their 1959 food purchasing.

The 3-year period, 1959-61, also saw slight changes in the pattern of food buying. In Europe the biggest commodity gain among imports was shown by fruits and vegetables. Cereals, fats and oils, and meats increased in that order, while imports of sugar, dairy products, and feed grains fell off.

In the countries of North and Central America the shifts were less conspicuous. Slight import gains showed up for dairy products, fruits and vegetables, and cereals. The largest drop was in the coffee, cacao, and spice group (which could have been accounted for by the lower coffee prices), with lesser drops in sugar, feed grains, fats and oils, and meat.

South America in 1961 had very small gains in imports of feed grains and dairy products, but everything else was below the 1959 figure. Asia imported more cereals, meat, fruits and vegetables, sugar, coffee, cacao, spices, feed grains, and dairy products than it did in 1959, but did less buying of fats and oils. (Japan had a notable rise in meat imports.)

Africa bought more of everything except cereals and feed grains; yet Ghana took substantially larger amounts of both commodities. Oceania upped its imports of fruits and vegetables considerably, and also bought more meat, cereals, and feed grains. The declines—and these were relatively small—were for dairy products, sugar, coffee, cacao, and spices.

World's Corn Output Hits Near Record High in 1962

Despite substantial declines in acreage planted to corn—particularly in the United States where farm programs greatly reduced it—world corn production in 1962 reached heights second only to the 1960 record.

Latest FAS estimates reveal that although the drop in U.S. acreage accounted for 1.6 million acres or over 94 percent of the total 1.7 million acre world decrease, the United States still expanded its output more than any other country. Easily retaining its position as the world's leading corn producer, the United States harvested a crop of 3,644 million bushels—18 million above the 1961 outturn. Yields of 64.1 bushels per acre were at an all-time high.

The current world estimate of 7,460 million bushels is only 135 million bushels below the 1960 record of 7,595 million and is 30 million bushels over the 1961 harvest. This 30 million-bushel world increase was the result of a 30 million-bushel gain in North America. Losses and gains in other parts of the world largely offset each other.

Unfavorable weather caused production losses in Western Europe, Eastern Europe, and Russia, while gains were made in Asia, where corn production hit a near record; Africa, where production was 30 percent above the 1955-59 average; and South America, where a bumper crop—130 million bushels above the normal average—was harvested.

Right, the modern Japanese housewife saves time and buys U.S. poultry parts at a Tokyo department store. Right below, small shops still debone and eviscerate poultry at point of sale. Per capita poultry consumption in Japan is still small but the potential for expansion is very good.

How Japan's Poultry Market is Changing

This year has seen a sharp rise in Japan's imports of poultry and poultry products. In just 5 months, from January through May, this island country brought in nearly 262,000 baby chicks compared to about 29,000 for the same period in 1962. Poultry meat imports during these months totaled nearly 323,000 pounds as against 66,000 in the previous year. Japan also started buying egg solids, and by June had taken around 11,000 pounds.

By far the biggest share of these imports came from the United States—more than 80 percent of the chicks, and nearly all of the poultry meat and egg solids. Canada supplied the rest of the chicks, and Communist China very small amounts of the other products.

There is every reason to expect that this favorable trend will continue. The Japanese poultry industry is developing separate industries for eggs and poultry meat and requires breeding strains. As for poultry parts, hotels and restaurants are showing increasing interest in the imported product, and so is the Japanese housewife.

Right, Assistant U.S. Agricultural Attaché D. R. Strobel (center) and staff check prices at local poultry shop. Below, inside a typical small store selling eggs and poultry.

Assistant Agricultural Attaché D. R. Strobel announces upcoming U.S. poultry show to Japanese press and discusses strict U.S. inspections of our poultry.

Tokyo Center's Fall Show Offers Good Sales Opportunity to U.S. Poultry Firms

Twenty-two American poultry firms —taking advantage of the opportunity to "sell direct" in Japan—will participate in the U.S. poultry products show at the Tokyo Trade Center, September 9-21. Joint sponsors are the International Trade Development Committee of the American Poultry Industry and the Foreign Agricultural Service.

The firms will display, demonstrate, and take orders for a complete line of poultry products exported by the United States — egg solids, frozen poultry, and canned items. Each exhibitor will have a 6 x 12 foot-booth, managed by top officials of the company. Japanese interpreters, supplied by the Trade Center, will also be on hand to assist in completing business transactions.

Backstopping the commercial exhibits will be the USDA's graphic presentation of the modern U.S. poultry industry. In about 15 panels of photographs, emphasis will be on the production, processing, and marketing techniques that insure the Japanese a top quality product. A series of panels will demonstrate USDA inspection for wholesomeness and grading for quality — consumer services not available in Japan for locally produced poultry.

Some 10,000 invitations to the poultry show have been extended to Japanese importers, distributors, retailers, institutional buyers, bakers, confectioners, and related food manufacturers.

In addition, 100 persons have been selected to attend each day's special trade reception at the Center, to feature film showings, talks, and promotional luncheons.

A public relations firm is issuing press releases on each participating company, along with a series of general releases on the show's activities. It will also hold press conferences and publicize the show through ads in Japanese trade journals.

The following poultry firms will have commercial booths:

Wilson & Co., Inc.; Henningsen Foods, Inc.; Colonial Farms; Morton Frozen Foods; Georgia Broilers Corp.; B.N.S. Int'l Sales Corp.; Christoffer-son Poultry, Egg & Feed Market; Burgess Poultry Farms (Int'l Div.); Watson Seafood & Poultry Co., Inc.; Swift & Co.; J. Manaster Co.; Rockingham Poultry Marketing Coop.; Marshall Durbin Co., Inc.; Plus Poultry, Inc.; H. L. H. Canned Poultry; Goldkist Poultry Growers; Ocoma Foods; Norbest Turkey Growers Ass'n; Seymour Foods Co.; Sterling Processing Corp.; Ballas Egg Products; Mississippi Federated Cooperatives.

Tokyo Ads Plug Poultry

The U.S. poultry industry is running a special advertising campaign aimed at thousands of small poultry stores in Tokyo. Ads in *Chikusan Shokuryu Shimbun,* a meat products newspaper, offer retailers featuring U.S. poultry and cut-up parts a variety of free posters and leaflets.

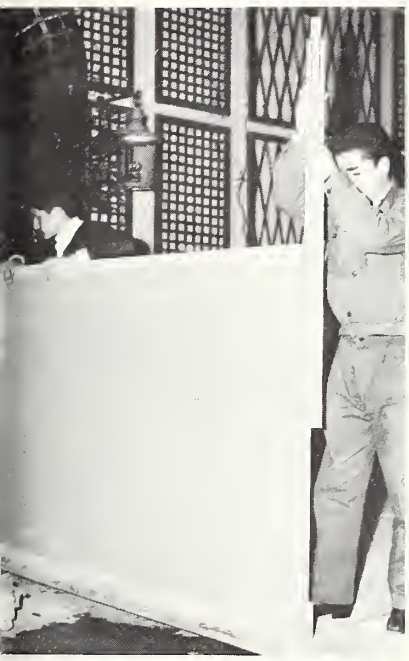
The promotion is a part of an intensive MD program being carried out by the International Trade Development Committee's Tokyo office.

U.S. Rice Millers Opens New Office in Brussels

The Rice Millers' Association of the United States will open its first European office September 1 in Brussels. Director of European Operations will be Dexter V. Rivenburgh, rice marketing specialist now completing 43 years with the U.S. Department of Agriculture.

The new office's principal function will be to encourage favorable import regulations by the European Common Market, which represents one-third of the total cash dollar market for U.S. rice exports. The office will work with the EEC's rice trade—importers, millers, wholesalers, retailers and trade associations—EEC member governments, the U.S. Mission to the EEC, U.S. agricultural attachés and other U.S. Embassy personnel.

Soybean Council Introduces Its Versatile New Mobile Exhibit at Two Italian Fairs



Completely adaptable to audience, place, and space, the new multi-use mobile exhibit of the Soybean Council of America appeared in its compact form recently at the Varese Poultry Fair in Italy (above).

Needing no more than two men to handle (at left), the exhibit panels and other demonstration equipment can be transported on their own trailer hitched behind anything from an automobile to a camel.

Each time the exhibit is used its emphasis can be changed—from soybean oil to soybeans or from their use in feed or food—by substituting different panels. Below, the exhibit was a part of the U.S. Pavilion at the Bologna Food Fair, where its appearance seems different than at Varese.

U.S. Rice in London Stresses Exhibitions

The U.S. Rice Export Development Association will participate in two U.K. exhibitions next month: the 32nd Annual East Midlands & Leicester Home Life Exhibition, September 11-21, and the Birmingham Mail Ideal Home Exhibition, September 25-October 19.

Exhibitions—13 in all—have dominated the Association's market development program in the United Kingdom, since the London office opened 2 years ago. The group has developed a broad program, but has hit hard with exhibitions as the quickest way to get more people to eat rice, get more firms to carry and promote it. Results have been good: an 80 percent increase in U.S. rice exports to the United Kingdom in the past 2 years.

In order to get major mileage from participation in exhibitions, the London office makes sure that all firms which do, or might, carry U.S. rice are told about each show and given complete information about the U.S. rice booth. They are advised that Association personnel at the booth will act as firm agents in selling U.S. rice to exhibit visitors—thus getting brand names known in the area—and that trade inquiries for both packaged and bulk orders will be passed on to the relevant firm. Names of participating firms are incorporated in all trade and catalog advertisements.

As a result of this groundwork and followup, many firms which were indifferent are now selling U.S. rice.

Service Is Plus Factor In Israeli Cattle Sale

Israeli cattlemen-instructors were on hand recently to help Irani farmers get off to a good start when 150 Israeli-Friesian dairy cows arrived in Iran from Israel.

This shipment followed an earlier one whose success was attributed in great part to the advice on feeding and general husbandry given by the Israeli specialists sent for the purpose.

Japanese Feed Grain Imports Up

Japan's requirements of imported feed grains to support its growing livestock and and poultry industries have sharply increased this year. Heavy rains and cold weather reduced Japanese production of wheat, barley, rapeseed, and other spring and summer crops. Thus, the supply of feeds on the farms will be smaller, and requirements for commercial feed—mostly of imported ingredients—are expected to increase. This will mean imports of more corn, milo, and feed wheat. The government also plans to import some feed barley for the first time.

Japan's import requirements of corn and milo for the Japanese fiscal year April 1963-March 1964 are estimated at 3.3 million metric tons—a 20-percent increase from the previous year. Of this total, about 2.8 million metric tons will be corn and the remaining 500,000 milo. Japan currently imports corn largely from the United States, the Union of South Africa, Thailand, and Argentina, and milo almost entirely from the United States.

Japan imports corn under the "Automatic Allocation" system, which permits purchases from any source; thus, price is an important factor in determining the source of imports. Under a CCC credit program, eight firms will import 300,000 metric tons of milo. Additional imports will be made under Japan's Foreign Fund Allocation system.

In fiscal 1963, the government plans to import 964,000 tons of feed wheat, 146,000 to be mixed in commercial feeds and the rest to be milled for bran production at a 40-percent extraction rate.

No imports of barley for food are expected, but the government plans to import about 100,000 tons for feed use during 1963. Trial purchases of 6,500 tons in July from the United States, Canada, and Australia are expected to be followed by others later.

Argentina Exported More Corn in 1962-63

Argentina exported 2.7 million metric tons of corn and 1.8 million tons of wheat from July 1962 through June 1963, compared with 2.3 million tons of corn and 2.4 million of wheat in the same period of 1961-62.

See story in detail and table showing countries of destination for Argentine grain exports for July-June 1961-62 and July-June 1962-63 in the August issue of *World Agricultural Production and Trade: Statistical Report.*

Canadian Wheat and Flour Exports Lower

Canadian wheat and grain equivalent of flour exports, at 331 million bushels, were about 9.3 percent below last year.

See the August issue of *World Agricultural Production and Trade: Statistical Report* for story in detail and a table showing Canadian wheat and flour exports by country of destination for July-June 1961-62 and July-June 1962-63.

South African Corn Exports Increase

A rapid increase of corn production in the Republic of South Africa during recent years has led to a great expansion of that country's corn trade. In the 1962-63 marketing year (May-April), the Republic exported 2,292,000 metric tons of corn—over 3 times the 1960-61 exports of 745,700 metric tons and over 2 times the 1961-62 exports of 1,368,200 tons. South African exports of white and yellow corn by country of destination in 1962-63 were as follows:

	White corn	Yellow corn	Total
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*
Germany	117.7	1.5	119.2
Holland	162.9	.5	163.4
Japan	82.6	926.4	1,009.0
United Kingdom	483.0	69.3	552.3
Italy	72.8	119.0	191.8
Others	217.7	38.6	256.3
Totals	1,136.7	1,155.3	2,292.0

Exports of 208,700 tons of corn products are not included in the above figures.

South Africa's corn production progressed from 3,972,000 tons in 1960 to 4,834,000 in 1961 and to a record 5,596,000 in 1962. Its 1963 crop is reported at 5,444,000 tons, which would indicate a continuing high level of exports in 1963-64.

Thai Rice Outlook

Forecasts indicate that Thailand's 1963-64 rice crop will be about 10 percent below the record 1962-63 crop. Acreage to be harvested is estimated at 13.2 million acres, down 14 percent from the 15.3 million last season, though higher yields per acre are expected.

The production forecast is for 8 million metric tons of rough rice, compared with the Thai Rice Department's estimate of 8.9 million for 1962-63. Output in 1961-62 was 8.2 million, and the average for the years 1955-56 through 59-60 was a little over 7 million.

Harvesting will be held up for about a month because the late spring rains delayed planting. The main crop usually is harvested from November to December.

If rainfall continues adequate, yields per acre should be high. Crop quality, however, may be lowered.

Rice exports in the first half of 1963, at 763,000 tons, were 18 percent below the 933,000 exported during January-June 1962. The target of 1,350,000 tons for exports during 1963 is expected to be reached, as exports of over 100,000 tons a month are planned for the last half of 1963.

An 18-per cent decline in exports to Asian countries during the first half of the year was attributed partly to a delay in exporting rice to Indonesia and also to competition from other supply sources for Hong Kong's rice. Higher prices are reported to have brought a 48-percent reduction in exports to Europe and a 39-percent one in

those to Africa. The Middle East, however, increased purchases sharply over January-June 1962, with Saudi Arabia the principal buyer.

Canada Expects Smaller Tobacco Harvest

The 1963 tobacco crop in Canada is estimated at 169 million pounds from 113,500 acres, compared with the 1962 harvest of 203.6 million from 131,100 acres. A cut in flue-cured acreage in the Province of Ontario for the second consecutive year accounted for most of this decline.

The flue-cured crop for all Canada is tentatively placed at 156.8 million pounds—down 16.7 percent from the 1962 harvest of 188.2 million. Ontario's crop is estimated at 150 million pounds from 99,900 acres, compared with 181 million pounds from 116,571 acres last season. This crop suffered from killing frosts early in the season, and continued cool weather brought about infestations of cutworms and root maggots; but because there were adequate supplies of seedlings for replanting, total planted acreage was not reduced.

The flue-cured harvest in Quebec is forecast at 6 million pounds—down slightly from the 1962 harvest of 6.5 million because of a slight reduction in planted acreage. Production in the Maritime Provinces is estimated at 800,000 pounds, compared with 710,000 pounds last season. On Prince Edward Island, planted acreage is placed at 450 acres, in New Brunswick at 128, and in Nova Scotia at 215.

Burley production is tentatively estimated at 7 million pounds from 4,000 acres, compared with 8.9 million from 4,569 acres last season. Production forecasts for the other kinds of tobaccos are also down from last season, mainly as a result of reduced plantings.

U.S. Tobacco Exports Up in June

U.S. exports of unmanufactured tobacco in June 1963 totaled 40.9 million pounds (export weight), up 5.4 percent from the 38.8 million exported in the same month of 1962. The value of these exports, however, was $29.5 million, slightly under the $29.9 million for June 1962.

Exports in January-June 1963, at 175.9 million pounds, were 3 percent larger than the 170.8 million shipped out in January-June 1962. Total for the fiscal year ended June 30, 1963, was 474 million pounds—8.8 percent below the 520 million exported in fiscal 1962. Flue-cured exports were only 371.5 million pounds, (export weight), down 12.3 percent from the 423.8 million pounds exported in fiscal 1962. Burley exports, however, climbed to 46.1 million pounds from 39.1 million last year—a rise of 18 percent, and exports of Virginia fire-cured and Maryland were also larger. Substantial drops were recorded in exports of Kentucky-Tennessee fire-cured and cigar tobaccos.

Exports of tobacco products in June 1963 were valued at $9.8 million, compared with $10.3 million in June 1962. Exports of cigarettes, at 1,929 million pieces in June 1963, were down 9 percent from June a year ago; exports of all other products except chewing and snuff were larger. For January-June 1963, total value of all tobacco product exports was $56.8 million—down 2.6 percent from January-June 1962. The drop in cigarette exports—down 6 percent—more than offset increases in all other products.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO, JUNE 1963, WITH COMPARISONS

(Export weight)

Kind	June 1962	June 1963	January-June 1962	January-June 1963	Percent change from 1962
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	30,335	30,808	134,701	130,760	— 2.9
Burley	5,907	5,937	16,578	22,553	+36.0
Dark-fired Ky.-Tenn.	562	1,557	6,107	6,638	+ 8.7
Va. fire-cured [1]	328	174	2,326	2,734	+17.5
Maryland	383	873	3,719	4,181	+12.4
Green River	76	2	517	224	—56.7
One Sucker	47	60	119	133	+11.8
Black Fat, etc.	372	355	1,824	2,264	+24.1
Cigar wrapper	662	405	2,649	2,284	—13.8
Cigar binder	38	29	278	492	+77.0
Cigar filler	——	35	2	169	——
Other	125	714	1,960	3,425	+74.7
Total	38,835	40,949	170,780	175,857	+ 3.0
Declared value	*Mil. dol.* 29.9	*Mil. dol.* 29.5	*Mil. dol.* 128.6	*Mil. dol.* 133.6	*Percent* + 3.9

[1] Includes sun-cured.
Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS, JUNE 1963, WITH COMPARISONS

Product	June 1962	June 1963	January-June 1962	January-June 1963	Percent change from 1962
Cigars and cheroots *1,000 pieces*	1,837	4,036	10,285	15,683	*Percent* +52.5
Cigarettes *Million pieces*	2,119	1,929	12,105	11,380	— 6.0
Chewing and snuff *1,000 pounds*	50	37	254	294	+15.7
Smoking tobacco, in packages *1,000 pounds*	94	97	381	414	+ 8.7
Bulk smoking tobacco *1,000 pounds*	675	698	3,737	4,795	+28.3
Total declared value *Million dollars*	10.3	9.8	58.3	56.8	— 2.6

Bureau of the Census.

Burma's Cigarette Output Still Declining

Cigarette output in Burma during the first 4 months of fiscal 1963 (October 1962-January 1963), at 356 million pieces, was down 14.8 percent from the 418 million pieces produced during the same period in fiscal 1962. Cigarette production during fiscal 1962 (October 1961-September 1962) totaled 1,102 million pieces, compared with 1,209 million in fiscal 1961, and 1,360 million in fiscal 1960.

Singapore's Cigarette Output Up

Cigarette output in Singapore continued upward through 1962. Production last year totaled 4,580,000 pounds, up 9.8 percent from the 4,170,000 produced in 1961.

Blue Mold Hits Syrian Tobacco Crop

Recent reports indicate that blue mold has drastically reduced the 1963 tobacco harvest in Syria. The crop loss is placed at a minimum of 80 percent, and production is not likely to exceed 2.5 million pounds in contrast with 14.7 million last season. Last year's crop also was affected by blue mold.

Iran Expects Larger 1963 Tobacco Harvest

Preliminary estimates place the 1963 tobacco harvest in Iran at 28.7 million pounds, compared with the 1962 harvest of 20.9 million.

Blue mold reappeared again this season in the producing areas of Gilan, Mazandaran, and Gorgan and reduced the crop about 20 percent. If this virus disease is not brought under control, growers may shift to flue-cured varieties of tobaccos, which are considered more resistant to blue mold than the oriental varieties.

Plantings of flue-cured varieties this season are estimated at about 2,470 acres and those of burley varieties at slightly under 2,470 acres. Combined production of these two kinds of tobaccos this season is estimated at 3.3 million pounds, compared with 1.6 million last season.

Australian Meat Moves to the U.S.

One ship left Australia July 7 with 5,617,920 pounds of beef, 165,760 pounds of mutton, and 11,200 pounds of variety meats for the United States.

Ship and sailing date	Destination [1]	Arrival date	Cargo	Quantity
	Eastern ports and St. Lawrence Seaway			*Pounds*
Cap San Diego..... July 7	Charleston	Aug. 10	Beef	313,600
			Mutton	64,960
			Var. meats	4,480
	Boston	14	Beef	262,080
			Mutton	100,800
	New York	16	Beef	4,025,280
			Var. meats	6,720
	Philadelphia	21	Beef	920,640
	Norfolk	23	Beef	96,320
Crystal Sea [2].....	New York	9	Beef	297,920
July 9	Montreal	19	Beef	2,240
North Star [2]..... July 12	New York	7	Beef	172,480
Gloucester [2].....	Norfolk	19	Beef	112,000
July 16	New York	24	Beef	282,240

[1] Cities listed indicate location of purchaser and usually the port of arrival and general market area, but meat may be diverted to other areas for sale. [2] In addition to amounts reported in *Foreign Agriculture*, August 12, 1963.

U.S. Exports of Livestock Products Increase

U.S. exports of most livestock products were higher in June 1963 than in June 1962. Lard exports, however, were only half as large, mainly because of an adjustment of imports by the United Kingdom.

In the first 5 months of 1963, U.K. lard imports were 6 percent above those for the same 1962 period; they totaled 195 million pounds, of which the United States supplied 66 million. But in June, U.S. shipments dropped to only 24 million pounds, compared with 50 million in June 1962. However, total January-June exports to the United Kingdom remained above those for the same period a year earlier.

Total red meat and variety meat exports were higher for June and January-June of 1963 than for the same periods in 1962, while hides and skin exports were slightly lower.

U.S. EXPORTS OF LIVESTOCK PRODUCTS
(Product weight basis)

Commodity	June		Jan.-June	
	1962	1963	1962	1963
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Animal fats:				
Lard	50,530	24,249	229,562	251,748
Inedible tallow and greases [1]	181,388	181,875	874,805	925,611
Edible tallow and greases [2]	2,578	1,082	7,608	5,804
Meat:				
Beef and veal	2,575	1,655	13,140	11,379
Pork	7,345	11,467	29,765	67,693
Lamb and mutton	234	25	1,508	550
Sausage:				
Except canned	153	120	741	710
Canned	135	106	440	475
Baby food, canned	87	54	434	289
Other canned meats	112	112	638	701
Total red meat	10,641	13,539	46,666	81,797
Variety meat	11,700	13,253	59,354	79,007
Sausage casings:				
Hog	1,058	1,074	6,934	7,407
Other natural	467	538	2,040	2,564
Mohair	933	877	7,020	7,690
	1,000 pieces	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*
Hides & skins:				
Cattle	605	539	3,289	3,500
Calf	132	128	938	762
Kip	48	11	170	97
Sheep and lamb	266	229	1,100	1,390

[1] Includes inedible tallow, oleic acid or red oil, stearic acid, and other inedible greases, fats and oils. [2] Includes edible tallow, oleo oil and stearin, oleo stock and shortenings, animal fat, excluding lard.

Australians Allocate Raisins for Europe

The Australian Dried Vine Fruits Board has set an allocation for 3,700 short tons of sultanas to be sold to Continental Europe and Ireland. The Board has also established minimum export prices for sultanas from the 1963 pack to be sold on a forward basis to Continental Europe and Ireland. Converted to U.S. currency, c.i.f. destination, they are as follows:

	Dollars per short ton
Continental Europe:	
Sultanas, 4 crown grade	245
Sultanas, 5 crown grade	255
Sultanas, 6 crown grade	265
Ireland:	
Sultanas, 4 crown grade	260
Sultanas, 5 crown grade	270
Sultanas, 6 crown grade	280

These prices are for direct shipment only; any transhipment charges are for buyer's account. It is an expressed condition of sale that sultanas be submitted for fumigation costs; $2.50 per short ton will be allowed by the seller to the buyer at time of invoicing.

It appears that no further allocations to the Continental and Irish markets will be made from the 1963 pack. The Board has asked exporters to remain strictly within their

shares of the allocation and to withdraw offerings as soon as their quotas have been reached. Sales are to be made on a forward basis only; shipment on consignment will not be authorized.

Canadian Oilseed Plantings Up Sharply

Canadian oilseed plantings in 1963 have increased sharply from the revised estimates of 1962, according to preliminary estimates of the Dominion Bureau of Statistics.

OILSEEDS: CANADA, CROP ACREAGES BY PROVINCE, 1962 AND 1963

Province and crop	1962	1963 [1]	1963 as a percentage of 1962
Flaxseed:	*Acres*	*Acres*	*Percent*
Quebec	25,400	32,000	126
Ontario	21,400	23,000	107
Manitoba	667,000	820,000	123
Saskatchewan	389,000	506,000	130
Alberta	340,000	303,000	89
British Columbia	2,200	1,400	63
Total	1,445,000	1,685,400	117
Rapeseed:			
Manitoba	32,200	51,500	160
Saskatchewan	167,000	232,000	139
Alberta	172,000	200,000	116
Total	371,200	483,500	130
Soybeans:			
Ontario	221,000	228,000	103
Sunflowerseed:			
Manitoba	20,500	33,000	161
Saskatchewan	([2])	3,500	([2])
Alberta	2,500	1,500	60
Total	23,000	38,000	165

[1] Preliminary. [2] Not available.
Dominion Bureau of Statistics, Aug. 7, 1963.

Following last year's decline, flax seedings increased one-sixth and are now estimated at almost 1.7 million acres. However, this area is still one-sixth smaller than the 1951-60 average of 2 million acres. Major gains from 1962 were in Manitoba and Saskatchewan.

Commercial rapeseed production is carried on only in the Prairie Provinces, where in 1963 an estimated 483,500 acres were seeded. This is almost one-third more than last year's reduced acreage but roughly one-third less than the area sown to rapeseed in 1960 and 1961.

Area planted to soybeans is placed at 228,000 acres, up 3 percent from 1962 and virtually the same as the 1951-60 average.

The estimated 38,000 acres planted to sunflowerseed this year is two-thirds more than last year's reduced area. While most of the crop is grown in Manitoba, some commercial production is being undertaken this year in Saskatchewan.

U.S. Exports Less Cotton of All Types

U.S. exports of all types of cotton totaled 3,168,000 running bales in the first 11 months (August-June) of the 1962-63 season, compared with 4,449,000 bales for the same months of 1961-62.

June exports were only 244,000 bales, compared with 310,000 in May and 425,000 in June 1962. Registrations for exports under the 1962-63 payment-in-kind program totaled 3,288,000 bales as of August 9, compared with 4,982,000 bales on about the same date a year earlier.

COTTON: U.S. EXPORTS BY DESTINATION, AUGUST-JUNE 1962-63, WITH COMPARISONS

Destination	Year beginning August 1				
	Average			August-June	
	1955-59	1960	1961	1961	1962
	1,000 running bales	*1,000 running bales*	*1,000 running bales*	*1,000 running bales*	*1,000 running bales*
Austria	33	35	33	32	12
Belgium & Lux.	160	179	100	97	70
Denmark	17	23	13	12	12
Finland	22	29	21	21	13
France	360	549	300	294	174
Germany, West	475	421	205	200	98
Italy	416	454	376	367	183
Netherlands	124	179	106	103	70
Norway	10	14	13	13	9
Poland & Danzig	85	228	139	117	61
Portugal	28	25	18	18	7
Spain	171	171	155	155	([1])
Sweden	75	101	99	98	56
Switzerland	64	99	75	74	36
United Kingdom	525	371	270	265	135
Yugoslavia	108	88	175	127	113
Other Europe	17	8	8	5	3
Total Europe	2,690	2,974	2,106	1,998	1,052
Australia	54	49	64	63	38
Canada	217	259	397	384	260
Chile	35	51	12	12	24
Colombia	33	0	1	1	1
Cuba	27	2	0	0	0
Ethiopia	4	4	13	12	15
Hong Kong	134	219	104	103	75
India	184	599	215	47	168
Indonesia	30	36	46	39	47
Israel	16	9	10	9	7
Japan	1,154	1,746	1,028	987	865
Korea, Rep. of	205	195	300	239	220
Morocco	10	9	14	14	7
Pakistan	14	5	39	36	6
Philippines	64	149	142	133	101
South Africa	26	51	52	49	17
Taiwan (Formosa)	153	176	256	214	193
Thailand	4	23	30	27	22
Uruguay	15	18	11	11	0
Venezuela	2	([1])	16	16	4
Vietnam [2]	2	26	30	29	32
Other countries	27	32	28	26	14
Total	5,100	6,632	4,914	4,449	3,168

[1] Less than 500 bales. [2] Indochina prior to 1958. Includes Laos and Cambodia.

Japan Develops High-Count Yarn

The Japanese textile industry recently announced its development of a new and superior cotton cloth, made of 180-count yarn and named "Royal-Soft". Production is expected to reach about 12,000 square yards per month.

This new cloth, which will be used primarily in the manufacture of high-quality shirting, is produced entirely from extra-long staple cotton; thus imports of that cotton are likely to increase with the product's acceptance. Developed as part of the textile industry's program to expand uses of superior-quality fibers, the new cloth is expected to compete more effectively with manmade fibers.

U.S. Cotton Linters Exports Increase

U.S. exports of cotton linters, mostly chemical qualities, totaled 317,000 running bales during the first 11 months

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(August-June) of the current season—32 percent above the 241,000 bales shipped in the same period of 1961. Exports in June amounted to 34,000 bales, compared with 30,000 in the preceding month and 17,000 in June 1962.

Quantities exported to principal destinations during August 1962 through June 1963, with comparable 1961-62 figures in parentheses, were West Germany 131,000 bales (124,000); Japan 84,000 (59,000); the United Kingdom 37,000 (29,000); East Germany 27,000 (0); Canada 19,000 (14,000); the Netherlands 10,000 (3,000); Spain 3,000 (0); France 3,000 (10,000); and Australia 2,000 (2,000).

New Coffee Enterprise in Tanganyika

A new enterprise producing coffee under the trade name "Kahawa ya Tanganyika" (Coffee of Tanganyika) has been started in Bukoba (West Lake Region), Tanganyika. This is the country's first coffee-roasting company.

The company buys pure Arabica and Robusta coffee from the Bukoba Native Cooperative Union. The coffee is then roasted, ground, and packed for consumer sale.

Brazil Reports Frost Damage to Its Coffee

Recent frost and cold weather in Brazil have severely damaged coffee trees in the States of Paraná and Sao Paulo. According to an announcement by the Brazilian Coffee Institute, 50 percent of the coffee trees in 123 municipalities were either killed or badly frost-burned.

The greatest percentage loss was reported in the Ivai region of Sao Paulo, where 70 percent of the area's 500 million trees were damaged. It was further estimated that 60 percent of Paraná's 1964-65 coffee crop probably will be lost. Surveys are being conducted to determine more precisely the full extent of the damage.

Paraná and Sao Paulo normally account for over 70 percent of Brazil's coffee production, which is estimated at 27 million bags (of 132.276 lb. each) for 1962-63.

WORLD CROPS AND MARKETS INDEX

(Other commodity articles listed on page 2)